5430352/2022/M-III-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES & MINERALS - AMENDMENTS TO ANDHRA PRADESH MINOR MINERAL CONCESSION RULES, 1966 - ORDERS – ISSUED

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INDUSTRIES & COMMERCE (MINES-III) DEPARTMENT

G.O.Ms.No.71 Dated:22.10.2021.

Read the following:

1. G.O.Ms.No.1172, Ind. & Com (B.I) Dept, dt:04.09.1967
2. G.O.Ms.No.63, Ind. & Com (M-III) Dept, dt:02.08.2021
3. From the Director of Mines & Geology, A.P, Lr.No.4072/P/2021, dt.19.08.2021.
4. From the Director of Mines & Geology, single e-file No.INC04-22021(31)/2/2021-PLANING SEC-DMG.
5. From the Director of Mines & Geology, A.P, Lr.No. 1520214/P/2021, dt.30.09.2021.

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O R D E R:-

In the G.O. 2nd read above, Government have issued orders amending the Rules 10, 12 & 34 of the Andhra Pradesh Minor Mineral Concession Rules, 1966, for outsourcing the right of collection of Seigniorage fee through Seigniorage Fee Collection Contract by way of e-Auction.

2. In the letters 3rd, 5th & single e-file 4th read above, the DM&G., AP., while giving proper justification, has requested the Government to issue amendments to the existing rules 10, 12 and 34 of the AP Minor Mineral Concession Rules, 1966.

3. The Government, after careful examination of the matter, have decided to make the following amendments to rules 10, 12 and 34 of the Andhra Pradesh Minor Mineral Concession Rules, 1966.

4. Accordingly, the following Notification will be published in an Extra Ordinary issue of the Andhra Pradesh Gazette, Dt.22.10.2021.

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957), as amended from time to time, the Governor of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Minor Mineral Concession Rules, 1966 issued in G.O.Ms.No.1172, Industries & Commerce (B.I) Department, 4th September, 1967 as subsequently amended.

AMENDMENTS

I. In the said rules,-

(a) in rule10(A), 10(B), 10(C) (1), 10(D)(4), 10(E)(7), 10(G)(1)(i) & 10(I)(1), for the words, "District/Districts," wherever they occur the words **"Package/Packages"** shall be substituted.

(b) in rule 10(A), 10(B), 10(C), 10(E), 10(G), 10(K) & 10(2) after the words, "Seigniorage Fee" wherever they occur, the following shall be added, namely;-

"and consideration amount".

(c) in rule 10(A)(2), 10(D)(2), 10(E)(3) & 10(I)(2), for the words "Deputy Director of Mines & Geology" the words **"Director of Mines & Geology"** shall be substituted.

II. in rule 10 - A,

(a) In sub heading for the words, "Sand and Grey Barytes held by M/s APMDC Ltd in YSR District", the words namely **"Grey Barytes held by M/s APMDC Ltd in YSR District and Sand"** shall be substituted.

(b) in sub rule (1), for the words, "The Director of Mines & Geology, in consultation with Deputy Director of Mines & Geology and Assistant Director of Mines & Geology concerned, shall identify the districts duly specifying the lease areas in each district for giving away the right of collection of Seigniorage fee" the words **"The Director of Mines & Geology shall identify the packages duly specifying the lease areas in each package for giving away the right of collection of Seigniorage fee and consideration amount"** shall be substituted.

(c) For the words, "Sand and Grey Barytes held by M/s APMDC Ltd in YSR District", the words namely **"Grey Barytes held by M/s APMDC Ltd in YSR District and Sand"** shall be substituted.

(d) after the sub clause (iii), the following shall be added namely,-

"(iv) Applicable Consideration Amount".

(e) for the existing provisos, the following provisos shall be substituted, namely;-

"Provided that if no bid is received for two (2) consecutive attempts, prior approval of State Government shall be required to revise the reserve price and other tender criteria with reasons to be recorded in writing.

Provided further that the Reserve price for the subsequent contract shall be ten percent higher than the preceding annual contract amount or the estimated revenue arrived based on the quantities dispatched in the preceding annual contract amount, whichever is higher, and no approval of State Government shall be required in such cases."

(f). i. in sub rule (2), after the words "Tender document and in these Rules", the following expression shall be added, namely;-

"The Director of Mines and Geology may call for subsequent tender for collection of seigniorage fee and consideration amount 90 days prior to completion of existing contract period".

ii. in the existing provisos, after the words "preceding annual contract amount", the following words shall be added, namely;-

"or the estimated revenue arrived based on the quantities dispatched in the preceding annual contract amount, whichever is higher".

III. in rule 10 –B,

(a) in sub rule (2), for the expression "0.25% of the Reserve price" the expression "**Rs. 5,00,000/- (Rupees Five Lakhs)**" shall be substituted.

(b) In sub rule (3), for the expression "ten (10%) percent" the words "**one fortnightly installment"** shall be substituted.

(c) In sub rule (5), for the expression "4% of Reserve price if the Reserve price for a district is more than Rupees 100 Crores and at least 3% of reserve price if the reserve price is less than or equal to Rupees 100 Crores." the expression "**Rupees 100 Crores"** Shall be substituted.

IV. in rule 10 – C, in sub rule (2), after the words "proprietary concerns/" following shall be added, namely,-

"/Joint Venture/ Consortium of up to two entities"

V. in rule 10 –D, in sub rule (2), for the expression "security deposit of 10% in the form of Postal Security deposit and performance security of 25%" the words "**performance security equal to (2) fortnightly installments**" shall be substituted.

VI. in rule 10 – E,

(a) in sub rule (1),-

(i) for the words "twelve monthly" the words "**Forty eight fortnightly**" shall be substituted.

(ii) for the words "month/months" the words "**fortnight/fortnights**" shall be substituted.

(b) in sub rule (4), for the expression "three (3) months" the words "**three (3) consecutive fortnights"** shall be substituted.

(c) in sub rule (5),-

(i) for the words "monthly/months" the words "**fortnightly/fortnights**" shall be substituted.

(ii) the words **"and security deposit"** shall be omitted.

(d) in sub rule (6), -

(i) for the words "monthly/fortnight" the words "fortnightly/fortnight" shall be substituted.

(ii) for the expression **"the Director shall issue a show-cause-notice to the Contractor requesting to pay the due amounts within 15 days. Failing which, the Director may terminate the contract with reasons recorded in writing and the Performance security & Security Deposit paid by the Contractor shall be forfeited."** Shall be omitted.

VII. in rule 10 – G,-

(a) in sub rule (1),-

(i) for clause (i) the following shall be substituted, namely;-

"Collect the Seigniorage fee after the exhaustion of the Dead rent in every quarter paid by the leaseholders and Consideration Amount from the leases existing in the package".

(ii) in clause (ii), after the words, "leaseholders" the following shall be added, namely, -

"consideration amount".

(iii) for clause (iv), the following shall be substituted namely;-

"(iv). **Collect excess seigniorage fee and consideration amount as prescribed in Rule 10 of APMMC Rules, 1966 only from such vehicles which are having valid transit forms issued by the lessees and issue confirmed transit form for the actual quantity under dispatch. The mineral carrying vehicles shall carry both unconfirmed and confirmed transit forms after issuance of confirmed transit form by the contractor.**"

(iv) to clause (v), the following provisos shall be added, namely, -

"Provided that the Contractor shall collect Seigniorage fee and consideration amount on

Minor Minerals dispatches from major mineral leases as well.

Provided further that the minor mineral carrying vehicles of leaseholders falling in other SCC Contract areas arrive at the weighbridges of the contractor for weighment, the details of such vehicles shall be reported to ADMG/DDMG concerned."

(b) In sub rule (2), -

(i) in clause (i) , the expression **"in respect of Minor Minerals as specified in Rule 10(A)(1) at the relevant rates mentioned in Schedule 1 of Rules 10(1) at or before the time of dispatch of the minor minerals as specified in Rule 10(A)(1) from the leased areas."** shall be omitted.

(ii) In clause (ii), after the words "quarry lease" the words, "**/permit**" shall be added.

VIII. in Rule 10 – I,

(a) in sub rule (1), the following shall be substituted, namely,-

"(1). **No Minor mineral shall be dispatched from any of the leased areas in the package without a valid transit form duly stamped by the Assistant Director concerned issued through the Contractor or his representative. Contravention of this clause shall result in levy of normal seigniorage fee and consideration amount along with five times penalty on normal Seigniorage Fee by the Assistant Director concerned on a complaint filed by the Contractor and on establishing the same by the Assistant Director. The normal seigniorage fee and consideration amount shall be paid to the Contractor and the penalty amount shall be remitted to the Government treasury. If by any chance, the complaint by the Contractor results in non-establishing the unauthorized transportation by the lessees due to inadequate or insufficient evidence in the complaint does not confer any right on the Contractor to claim any sort of compensation from the Government. However, the persons/organizations who are holding the quarry leases with exemption from payment of seigniorage fee and consideration amount shall obtain dispatch permits from the Assistant Director directly as required under Rule 34".**

(b) in sub rule (2), the words "Assistant Director, Deputy Director concerned and" shall be omitted.

IX. in rule 12(5)(h)(iii)(a) & 34(3),-

1. for the words "Responsibilities of leaseholders whose leases are falling within the Seigniorage fee collection contract area" the words "**Responsibilities of leaseholders whose leases are**

falling within the Seigniorage fee and consideration amount collection contract area" shall be substituted.

2. for the words "The lessee shall pay the seigniorage fee online" the words "**The lessee shall pay the seigniorage fee and consideration amount online**" shall be substituted.

3. for Condition (ii), the following shall be substituted namely;-

"**The leaseholder shall pay Seigniorage fee after exhaustion of the Dead rent in every quarter paid by the leaseholder and consideration amount to the concerned Contractor, for such excess quantity of mineral mentioned in the un-confirmed transit form arrived after weighment and the contractor shall issue confirmed transit form from the e-Permit system developed by Department of Mines & Geology to the vehicle driver as per the procedure prescribed under these Rules**"

4. for Condition (iii),

i. before the word "confirmed", the words, "**unconfirmed and**" shall be inserted.

ii. after the words "in addition to normal seigniorage fee" the words " **and consideration amount**" shall be added.

X. for Form-M, (Form of Agreement), [Sub-Rule (ii) of Rule 10-D], the following shall be substituted, namely,-

FORM 'M'

Form of Agreement

[See Sub-Rule (ii) of Rule 10-D]

This indenture made this.....day of 20...between the Governor of Andhra Pradesh (hereinafter called the "State Government" which expression shall where the context so admits, include his successors in Office and Assigns) of the One Part, and

WHEN CONTRACTOR IS AN INDIVIDUAL :

..... (Name of person with Address and Occupation) (hereafter referred to as the Contractor which expression shall where the context so admits to be deemed to include his respective heirs and legal representatives).

WHEN THE CONTRACTOR IS A REGISTERED FIRM :

..... (Name and Address of Partner) Son of ..... all carrying business in partnership under the firm Name and Style of ..... (Name of the firm) Registered under the Indian Partnership Act, 1932 (9/1932) and having their Registered Office at ..... (hereafter referred to as the Contractor which expression where the context so admits is deemed to include of the said partners their respective heirs Legal representatives and permitted assigns) of the other Part.

WHEN THE CONTRACTOR IS A REGISTERED COMPANY :

..... (Name and Address of Company) incorporated in India under the Companies Act, *[1956/2013]* with Corporate Identity Number *[CIN of the successful bidder]* whose Registered Office is at .....,India and the principle place of Business is at ..... [*if different from registered office*] (hereafter referred to as the CONTRACTOR which expression where the context so admits is deemed to include of the said partners their respective heirs Legal representatives and permitted assigns) of the other Part.

WHEN THE CONTRACTOR IS A CONSORTIUM :

..... (Name and Address of Individual/ Company) incorporated in India under the Companies Act, *[1956/2013]* with Corporate Identity Number *[CIN of the lead member of Consortium]* whose Registered Office is at .....,India and the principle place of Business is at ..... [*if different from registered office*] (hereafter referred to as the CONTRACTOR which expression where the context so admits is deemed to include of the said consortium members their respective heirs Legal representatives and permitted assigns) of the other Part.

Whereas the CONTRACTOR has been granted in Electronic Auction(e-auction) by the Director of Mines & Geology the rights of collection of seigniorage fee and consideration amount in respect of the Minor Minerals as specified in Rule10(A)(1) and areas specified in the Schedule-I for the knocked down amount of [Rs.....]:therein and has paid the amount equal to two fortnightly installments i.e.,[Rs...] towards performance security in the form of Bank guarantees with the Director of Mines and Geology for the due and faithful performance by the Contractor of the conditions on the Part of the Contractor hereinafter contained.

And whereas the State Government awarded the Package contract area hereafter described as Contract area for the knocked down amount of Rs .....and subject also to the conditions hereinafter contained, now this indenture witness as follows:—

The State Government hereby permits the Contractor to collect the seigniorage fee and consideration amount in respect of the Minor Minerals as specified in Rule 10(A)(1) from the leaseholders whose leases are situated in the area/areas mentioned in the Schedule– I and more particularly described in Schedule-II hereunder.

Part - I : MODE OF PAYMENT OF KNOCKED DOWN AMOUNT :

The Contractor having paid the 1st installment of the knocked down [x x x] amount before entering the agreement shall pay remaining 47 fortnightly instalments for the contract period.

The Director of Mines & Geology shall have the power to terminate the agreement if the contractor fails to pay the installments as above and to forfeit to the Government the amounts paid by the contractor and the amount guaranteed by Bank.

Part - II : LIBERTIES OF THE CONTRACTOR:

1. Liberties of the Bidder:-

The Bidder after executing the agreement in Form M prescribed in Rule 10-D(2) will be at liberty to:

i. Collect the Seigniorage fee from the leases existing in the package after the exhaustion of the Dead rent in every quarter paid by the leaseholders and consideration amount.

ii. Collect Seigniorage fee for such excess quantity of mineral mentioned in the transit form arrived after weighment after exhaustion of the Dead rent in every quarter paid by the leaseholders and consideration amount.

iii. Collect the seigniorage fee and consideration amount from all the new leases granted and executed from the Minor Minerals as specified in Rule 10(A)(1) during the currency of the Contract period.

iv. Collect excess seigniorage fee and consideration amount only from such vehicles which are having valid transit passes issued by the lessees. The contractor shall retain second copy of the transit passes with him and shall return first copy after stamping to vehicle owner. The contractor shall deposit second copy of transit passes with second copy of receipt issued by him with monthly statement to the Deputy Director of Mines and Geology or Assistant Director of Mines and Geology concerned.

v. Collect seigniorage fee on the dispatch of minor minerals as specified in Rule 10(A)(1) from the area specified in the contract and not on minor minerals brought from outside the contract area or from the major mineral leases.

vi. Collect Seigniorage fee of Minor Minerals dispatches from major mineral lease as well as per the procedure laid down in the tender document and Rule 10 of APMMC Rules 1966.

vii. Report the details of minor mineral carrying vehicles of leaseholders falling in other SCC Contract areas arrive at the weighbridges of the contractor for weighment to ADMG/DDMG concerned.

viii. Bring to the notice of Department of Mines & Geology on the details of vehicles involved in illegal transportation of minerals for taking necessary action.

2. Restrictions on the Bidder:- The following restrictions shall be applicable to Contractor:

The contractor shall not:

i. Collect seigniorage fee and consideration amount from Temporary permit holders except persons/organizations who obtained quarry leases with exemption from payment of seigniorage fee, in respect of Minor Minerals as specified in Rule 10(A)(1) at the relevant rates mentioned in Schedule 1 of Rules 10(1) at or before the time of dispatch of the minor minerals as specified in Rule 10(A)(1) from the leased areas.

ii. Collect the seigniorage fee and consideration amount from any persons/companies who are not the quarry leaseholders.

iii. Levy and collect penalty from illegal mineral transporters.

iv. Have any right for any type of compensation arising out of non-working of the quarries and due to expiry, lapse, determination, cancellation etc., of the leases.

v. Recover any seigniorage fee and consideration amount and/or permit fee from the minerals used in special works or schemes as specified by the Government, from time to time.

Part - III: LIBERTIES OF THE STATE GOVERNMENT AND DIRECTOR OF MINES& GEOLOGY

1. The State Government shall have the liberty to grant and/or terminate the quarry leases in respect of the minor minerals as specified in Rule 10(A)(1) in the Contract area as per A.P.M.M.C. Rules,1966.
2. The State Government shall have the power to penalise any person indulged in illicit quarrying and transportation of minerals from contract area as per rules.

3. The State Government shall have the power to terminate the agreement with the authorised agent if he violates the conditions specified in Part-II above.
4. The Director of Mines & Geology shall prescribe guidelines and technical specifications for empanelment and operation of weighbridges from time to time.
5. The Director of Mines & Geology may issue instructions for alternate arrangements for issuance of transit forms and collection of Seigniorage fee, consideration amount and other applicable charges in case of any IT system related problems.

Part - IV: RESPONSIBILITIES OF THE CONTRACTOR

1. Issue photo identity card duly signed and stamped by the Director of Mines and Geology to all persons employed by him for seigniorage fee collection. The contractor shall submit a list of persons to be engaged for seigniorage fee collection along with photo identity card. Such identity cards shall be valid during the currency of the contract only. All the persons shall keep the identity card displaying with them during collection of seigniorage fee.
2. Erect reflecting sign boards at each Check post clearly visible and legible from a distance mentioning name of the contractor, area of the contract, name of mineral, rate of seigniorage fee, permit fee and other applicable charges (if any) and name and contact number of the Director of Mines and Geology for any complaint
3. Abide by all the terms and conditions of the contract and any amendment made under these rules and shall also follow all the instructions issued by the Government or any officer of the department.
4. Make his own arrangements for establishment of weighbridges on his/her own or hire basis and integrated with the Department of Mines & Geology website duly certified by Weights and Measures Department for collection of seigniorage fee and other permissible charges. In case of availability of Weighbridges already empaneled weighbridges in the Contract area, the Bidder shall liaise with the empaneled weighbridge for weighment and generation of transit forms of the mineral carrying vehicles during the tenure of the contract period.
5. Collect the seigniorage fee as far as possible, close to lease or license area and if not feasible, at any other place near the lease/license area but within the jurisdiction of the contract area:
6. Such places shall only be established after due intimation and with prior approval in writing from the Director of Mines and Geology. The Director of Mines and Geology may refuse to grant permission for reasons to be recorded in writing for any particular place and shall communicate to the contractor.

Part - V : IT IS HEREBY EXPRESSLY AGREED AS FOLLOWS :

1. The Contractor shall immediately inform to the Assistant Director of Mines and Geology concerned about any illicit quarrying of minor minerals as specified in Rule 10(A)(1) noticed within the contract area.
2. The Contractor shall maintain correct account of the minor minerals as specified in Rule10(A)(1) consumed or dispatched from the contract area and shall furnish the same to the department when asked for.
3. The Contractor shall make his own arrangements for establishment and integration of weighbridges with Department of Mines & Geology website and certified by Weights and Measures Department for collecting the seigniorage fee and consideration amount from the lessee and he shall not claim any compensation for any failure on his part in collecting the same.

4. The Bank Guarantee furnished by the Contractor towards Performance Security of [Rs.....] shall be returned after the completion of the said term of two years.

Provided that the Contractor duly observed and performed the conditions on his part herein contained.

6. If any question of difference or dispute shall arise between the parties here to or any person concerning the [knocked down] amount and seigniorage fee and consideration amount hereby reserved any of these presents, it shall be reserved to the State Government whose decision thereon shall be final and binding on the parties hereto.

SCHEDULE - I

S.No	Package	Knocked down amount
1	2	5

SCHEDULE – II

List of leases falling under the package contract area mentioned in Schedule-I

S.No	Name of lessee	Location of lease			Extent in Ha.	Name of the minerals	Lease period	
		Sy.No	Village	Mandal			From	To
1	2	3	4	5	6	7	8	9

In witness whereof ..... Director of Mines and Geology..... acting for and on behalf of and by order and direction of Governor of Andhra Pradesh and the Contractor have here upto set their hands the day and year first above writing.

Signed and delivered by the above named in the presence of:

....

Signature of the Contractor *Signature of the Director of Mines & Geology*

Date.....

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

GOPAL KRISHNA DWIVEDI
PRINCIPAL SECRETARY TO GOVERNMENT(MINES)

To
The Commissioner of Printing, Stationery & Stores Purchases (Printing Wing) Andhra Pradesh, Vijayawada. (with a request to publish the above notification and arrange to send 200 copies of the same to the Government in Industries & Commerce (M.III) Department and 100 copies to the Director of Mines & Geology, A.P., Ibrahimpatnam,Vijayawada).
The Director of Mines & Geology, Andhra Pradesh, Ibrahimpatnam.
The Chief Executive Officer, MERIC, Vijayawada.

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All the District Collectors in the State.
All the Joint Director /Deputy Director / Asst. Director of Mines & Geology through the Director of Mines & Geology,Ibrahimpatnam.

Copy to:

The Secretary to Govt, Ministry of Mines, Govt. of India, Shastry Bhawan, New Delhi.
The Law Department.
The Finance Dept.
The OSD to Minister for Mines & Geology.
The PS to Prl. Secretary to Govt., (Mines).
SF/SC(C.No.1450350).

//FORWARDED:: BY ORDER//

SECTION OFFICER